which outside dealers were exempt was certainly a hardship. On the other hand, since the armistice there has been a considerable expansion in Stock Exchange business. Oil shares, Mexican securities, industrial shares, insurance shares, and others in which capitalisation of reserves and bonus issues have been used as an effective lever for speculation, have enjoyed spells of considerable activity. With this revival in progress, in spite of many obvious bear points, such as industrial unrest at home, Bolshevism abroad, the continuance of heavy expenditure by the Government, and the hardly slackened growth of the national debt, it seems to have been scarcely necessary in the interests of the House to have made regulations which, though perhaps demanded by abstract justice, imposed new ties on enterprise at a time when complete freedom, as far as it was consistent with the best interests of the country, was most of all desirable.

How far, we have next to ask, is it necessary for the best interests of the country to restrict the freedom of capital issues ? If we look back at the terms of reference under which the reconstituted Committee is to work, we see that the officially expressed objects are (1) preserving capital for essential undertakings in the United Kingdom, and *(2)* preventing any avoidable drain upon Foreign

Exchanges by the export of capital. There is certainly much to be said for both these objects. When we lend money to foreigners we give them the right to draw on us now in return for their promises to pay some day ; in other words, we make an invisible